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TAGS: PGOV PREL PHUM PINR RS SOCI  
SUBJECT: WHY MEDVEDEV MATTERS

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Classified By: Ambassador John R. Beyrle: Reasons 1.4 (b, d).

¶1. (C) Summary: While Prime Minister Putin remains the linchpin within the Russian leadership, it is President Medvedev whose success as a political leader can tip the balance of power towards the elite faction that supports Russia's political and economic modernization. A series of crises have put Medvedev on the defensive and strengthened hard-liners, raising the stakes for Medvedev to prove his centrality in Russian decisionmaking. Being acknowledged as the steward of U.S.-Russian relations will give Medvedev a boost that he can use in his shadowy conflict with the "siloviki" (the leadership faction tied to security and military interests), and argues for an early bilateral meeting on the margins of the London G20 summit. Engaging Medvedev will help promote improved bilateral relations with a receptive audience, and can steady Russia's course through ongoing social-economic difficulties. While both camps seek to confirm Russia's place as a great power, there is a discernible difference in the vector proposed by the siloviki and that advocated by Medvedev. As the economic crisis puts strains on the elite, we may see further provocation by the silovik camp, designed to derail the bilateral relationship and distract Medvedev from his agenda. End Summary.

Medvedev is not Pitted Against Putin

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¶2. (C) Any discussion of President Medvedev inevitably begins with an assessment of Prime Minister Putin. In contrast to the "Medvedev versus Putin" power struggle painted by some analysts, we believe that the real story is whether the support Medvedev enjoys from Putin will ultimately circumscribe the ability of Putin-supported siloviki factions to expand state control over the economy, to reimpose Soviet-style limits on personal expression, and to paint the West as an implacable foe. While Putin remains the indispensable player in resolving inter-clan disputes, and the mediator between Russian internationalist and autarkic forces, it is Medvedev who must succeed as a political leader to empower the elite faction that supports Russia's greater integration and the emergence of more democratic institutions. In essence, Putin has established rival blocs, with the selection of Medvedev and the constitutional authority of the Kremlin providing a vast boost to the "moderate" wing in Russia, at the same time that entrenched interests in the security services (who constitute Putin's closest KGB-era associates) retain direct levers over Russia's oil wealth and hard power.

¶3. (C) We believe the current focus on the health of Russia's political "tandem" is misplaced. Most observers here do not see a fundamental ideological dispute between Putin and Medvedev, while acknowledging that there has been sparring among the camps over strategies to address the economic crisis. Our contacts dismiss or downplay Medvedev's

January 11 criticism of the government's failure to respond quickly to the economic crisis as political theater, designed to scapegoat the bureaucracy (Russia's favorite political bogeyman), which was choreographed between the Kremlin and Russian White House. Advisers to Medvedev's Kremlin think tank maintained to us that there were "no cleavages" between the two leaders, a point that outspoken Medvedev adviser, Igor Yurgens, and Presidential spokesman Dmitriy Peskov have made publicly. To the contrary, because Medvedev's popularity and legitimacy is Putin-derived and because Medvedev lacks levers of control over the siloviki, a close relationship with Putin remains his most important source of power, and again on January 29 he stressed the friendship that defined the power tandem.

#### Forces of Light and Darkness

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**¶4.** (C) There is, however, a struggle underway for influence between Medvedev and his supporters against the hard-line silovik camp -- a competition that has particular significance to U.S. interests, but remains shrouded by the opaque nature of Kremlin politics. It is clear that Medvedev is not the only player who enjoys Putin's support. Putin maintains close personal relations and economic interests with Deputy Premier Igor Sechin, who is viewed as a competitor with Medvedev for preeminence within the ruling elite. Sechin and Medvedev can be seen as the center of mass on each side of the elite's primary fracture point, with Putin playing the balancing role. Oversight of Russia's vast hydrocarbons industry gives Sechin significant counterweight to Medvedev's claim to power, which is based on historical Russian deference to a Kremlin ruler but now also has a constitutional component.

**¶5.** (C) Few here doubt that the more conservative forces have gained strength during Medvedev's tenure. Although there are still internecine struggles between the security services, it appears that the most important forces have made an uneasy truce with Sechin; his former rivals like Viktor Ivanov and Nikolay Patrushev (both of whom lost their positions with the transition to Medvedev) are coordinating at least some of their efforts with him. The deepening economic crisis has also strengthened the siloviki, as government neuralgia about social unrest during a prolonged economic crisis has fortified the Russian instinct to tighten the screws in periods of uncertainty. We have seen the siloviki on the offensive in recent weeks, targeting USAID, US-based NGOs, and other perceived "enemies" like opposition politicians, students, and even ordinary citizens who dare to condemn the regime publicly (Reftels). The FSB drove recent proposed amendments to the law on jury trials and on treason -- changes that would have significantly increased the arbitrary power of the security services -- and backed the use of force to disperse the December protests in Vladivostok.

**¶6.** (C) The forces arrayed against the siloviki are institutionally weaker, but nonetheless have checked some of the security service initiatives. We include in the "moderate" camp former UES head Anatoly Chubais and former PA Head Aleksandr Voloshin, liberal economic ministers and bureaucrats like Aleksey Kudrin and Arkady Dvorkovich, and influential oligarchs like Alisher Usmanov. Putin's choice of Medvedev may have been predicated in part on his desire to balance the growing power of the silovik camp, and Medvedev's constitutional authority gives new levers to the moderates. The power of the presidency allowed Medvedev to block the FSB-proposed changes to the treason law (although he did sign the amended law on jury trials), while the progressive print media controlled by Medvedev allies helped to expose the effort to intimidate students protesters.

#### Serial Crises Detract from Medvedev's Agenda

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**¶7.** (C) Both critics and supporters of Medvedev acknowledge that a series of foreign policy and economic crises have compounded the difficulties that the President faces in

putting his imprimatur on Russian policy. The Ukrainian gas "war," following on the Georgian conflict and economic crisis, played to Putin's strengths and reflexive tendency to take charge, dealing the President at least a temporary blow in elite opinion. At every stage of the gas crisis, Putin was in charge, and was seen to be in charge by the Russian public. In contrast, Medvedev's gas summit was ill-planned (it was announced before European buy-in was assured), poorly attended and produced no results; instead, it was Putin's parallel but behind-closed-doors negotiations with Tymoshenko that yielded the final compromise. While Putin graciously praised his successor's summity, Medvedev clearly played the supporting role.

¶8. (C) A range of observers well-plugged into policy circles describe Medvedev as now under pressure to prove to the elite that power will flow towards the President's pole of the political spectrum. Without that boost, Medvedev faces being dismissed as well-intentioned but lacking the "thirst" for power, a seat-warmer for the Prime Minister, or permanently subservient to Putin. Within reformist circles, including among ruling party members, the conviction remains that Medvedev is prepared to create a new social contract and that his impulses -- on anti-corruption and rule of law issues -- remain sound, even as his levers of power are circumscribed. Thus, while no one predicts any move by Medvedev against the bedrock foreign policy consensus that, e.g., opposes NATO enlargement or U.S. missile defense plans, few are prepared to write off his ability to promote Russia's further economic and political modernization.

¶9. (C) Establishment figures underscore that Russia's moderate elites share an interest in ensuring that Medvedev succeeds with Putin, and not at his expense. This instinct to protect Putin's legitimacy is driven by the memory of the Soviet Union's collapse and the fear that Russia is more vulnerable to a debunking of its authority figures during a time of economic crisis. Our contacts continue to predict that scapegoats for the economic crisis will be found, with DPM Shuvalov or Presidential Aide Dvorkovich identified as the most vulnerable, because as much as Medvedev must succeed, Putin cannot fail (reftel).

#### Stewardship of U.S. Relations a Key Bellwether

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¶10. (C) Relations with the U.S. carry a symbolism and mystique that belie Russia's trumpeting of a new multipolar world order. As the head of the Moscow Carnegie Office Dmitriy Trenin observed, responsibility for the U.S. relationship is the "diplomatic equivalent of the nuclear suitcase." How we structure our dialogue with Russia will play a role in reinforcing Medvedev's authority and ability to implement his calls for a politically and economically more modern Russia. While Putin must endorse the direction of U.S.-Russian relations, Medvedev should be seen as the primary interlocutor for President Obama, and the earlier Medvedev's stewardship of the U.S. account can be demonstrated to the Russian elite, the faster he can move to shore up his foreign policy credentials. This argues for quickly confirming a bilateral meeting on the margins of the London G20 summit, to make Medvedev the focus of U.S. interaction, providing a boost to the more progressive forces aligned with Medvedev, and strengthening Medvedev himself.

¶11. (C) We are not advocating circumventing Putin; to the contrary, we cannot imagine improved U.S.-Russian relations without his concurrence. Instead, we will need to thread the needle of managing Putin and his ego so that U.S. engagement with Medvedev is seen as constructive, rather than interference in Russian domestic politics. As we consider "architecture" under the Obama Administration, Russia's penchant for a top-heavy "Gore-Chernomyrdin" structure will be tempered by the reality that Putin may not consider himself a successor to ex-PM Chernomyrdin in that role. That gives us the flexibility to think of other arrangements that play to Medvedev's authority as President, give proper respect to Putin's preeminence in the current system, and

still provide a much needed boost to Medvedev and the moderates in their shadowy conflict with the siloviki. Meetings in Moscow by senior level Administration officials allow calls on both the President and Prime Minister, without crossing political wires.

¶112. (C) As the economic crisis puts strains on the ruling elite and reinvigorates intra-elite conflict, we may see further provocations on the part of the silovik camp -- following on thuggish intimidation of USAID by the FSB and harassment of NDI -- that is designed to derail the bilateral relationship, undercut momentum in reengaging on areas of strategic importance, and distract Medvedev from his agenda. The tensions between the two camps and the opaque nature of decisionmaking under the tandem can produce a bewildering blend of signals from Moscow on U.S.-Russian relations. We must look for opportunities to reinforce the better instincts of the moderate camp.

BEYRLE